

120 million pillars

Millions of dollars of investment by a slew of private business owners is the foundation for Downtown Tucson's future



Teya Vitu

Travis Reese, Nicole Flowers and their 47 Scott restaurant and neighboring Scott & Co. café and bar are beacons for the new Downtown.

They are among some 40 private sector pioneers who have committed more than \$120 million to Downtown developments big and small in the past 2 1/2 years. These projects have created more than 900 Downtown jobs.

"Nicole and I both are passionate about the idea of having a walkable urban experience," Reese said.

So, apparently, were dozens of other entrepreneurs who opened shop Downtown since mid-2008: Sacred Machine, MEB Management Services, Yoga Oasis and Maracana Indoor Sports Arena among them.

The Downtown Tucson Partnership in the fall surveyed entrepreneurs behind all the Downtown projects for the dollar value of their projects, employment statistics and comments about Downtown.

"Always loved Downtown," Mike Skwiat, owner of Knucklehead Alley, 63 E. Congress St., commented in survey. "It's hip, got a great vibe. The whole motorcycle thing seemed to fit into the hip factor Downtown."

Luke Cusack, owner of A Steak in the Neighborhood, 135 E. Congress; Zen Rock, 121 E. Congress; and manager of Sapphire Lounge, 61 E. Congress; said in his survey response: "(I) saw it like an early downtown Austin or San

Antonio. Attractive lease rates. Development Services (were) proactive."

Downtown Tucson Partnership CEO Michael Keith has heard many similar stories from the newly arrived Downtown entrepreneurs.

"Small business have been investing their hopes and dreams despite everything that's happening with the federal, state and local economy," Keith said.

Reese and Flowers opened 47 Scott on May 8 and were consistently busy during the lunch and dinner hours throughout the traditionally slow summer months.

"I think there's been a lot of pent-up kinetic energy for Downtown," Reese said.

Reese credits Hotel Congress, Café Poca Cosa and Maynards Kitchen and Market for paving the way. He said 2nd Saturdays Downtown definitely set a template for the new Downtown.

"There was a lot of curiosity why this was happening," Reese said. "2nd Saturdays was a crucial player for everything. The Rialto Block was a huge draw for the *Bodies* exhibition."

Private investment goes hand-in-hand with some \$200 million in public sector investments started or completed in the past 30 months. This investment has brought a new Fourth Avenue Underpass and a new Martin Luther King Jr. Apartments among the seven public projects

More good things

Comments from the survey in response to "Why did you decide to invest Downtown?"

"Vital, real, authentic place to be. Live next door. 80 second commute. Fully embedded in Downtown. There is an authenticity of neighborhood. Has history and funkiness." – Rob Paulus, Rob Paulus Architect, 940 E 17th St., and the Ice House Lofts

"Urban guy at heart and no city the size of Tucson should exist without a vibrant Downtown. Wanted to help kick-start the efforts." – Ari Shapiro, Xoom Juice and Sparkroot, 245 E. Congress

"Saw transit-oriented development opportunities." – Adam Weinstein, Mercado San Agustin, 100 S. Avenida del Convento

"Want to be part of the Downtown revitalization scene." – Kevin Madden, Madden Media, 345 E. Toole Ave.

"Climate of change. Exciting shift. The actual building and location spoke to me. Downtown has own demographic." – Darren Rhodes, Yoga Oasis, 245 E. Congress St.

"We believe in it. Community camaraderie. Eventually, more people will be coming." – John Matey, Hollis Graphics, 186 E Broadway

"Ordained to do it. Felt the time was right. We've been waiting. I see a vision of Downtown with lots of activities and people. Raised here, want to do my part." – Kade Misliniski, HUB Restaurant & Creamery, 266 E. Congress St.

"Love the vibe. Downtown much more creative. It has room for creative growth." – Kurt Rosenquist, O2 Modern Fitness and Fitworks Cycling Support, 186 E. Broadway

"Downtown has reached a rhythm of private development independent of larger organizations like the City of Tucson and Rio Nuevo." – Patricia Schwabe, Peach Properties

"Passionate about Downtown. Wanted to get things done." – Richard Oseran, Maynards Market and Kitchen

"We believe in the development going on Downtown." – Nick Schaffer, Jimmy John's, 63 E. Congress

exceeding \$10 million.

In all, Downtown has seen more than \$320 million in development during the depths of the worst economy since the Great Depression. And that development generated and estimated 3,000 or more construction jobs, based on standard national multipliers.

"The pump is primed by public investment," Keith said. "Now the private sector is driving the economic surge."

2009-2010 has seen warehouses pass into the public sector along Toole Avenue; a slew of small business moving into Congress Street shops; and a new Tucson Fire Department headquarters and the Museum of Contemporary Art moving into the old TFD HQ.

But the epicenter for Downtown re-emergence in 2010 was Broadway, where the new UniSource Energy headquarters construction is up to the fourth floor on the way to nine stories. Just to the west, Providence Service Corp. in 2010 moved its corporate headquarters to 64 E. Broadway and bought the 44 E. Broadway hulk that has no Broadway or southern walls for \$2.9 million.

Providence CEO Fletcher McCusker

hopes to have 44 E. Broadway enclosed with walls by the end of the year in the estimated \$1.5 million in planned improvements. McCusker also spent \$350,000 to remodel 64 E. Broadway and he has \$200,000 budgeted for 50 E. Broadway.

To the east of Providence, restaurateur Janos Wilder made his return to Downtown in October with DOWNTOWN Kitchen + Cocktails. Janos Wilder said the new Fourth Avenue underpass in 2009 was the most important thing to happen Downtown.

"Downtown is a self-fulfilling prophecy," Wilder noted in the survey.

Another block to the east on Broadway, the Julian-Drew Building, its neighboring carriage house and the Tiburon Apartments to the rear all are fully occupied, owner Ross Rulney said.

"Broadway is it," Rulney said. "Broadway between Stone and Fifth Avenue will be so different, so fun, so cool, so busy. You can see it happening. There's no doubt about it. There's new retail, new housing. It's going to be a huge effect."

The past two years have also seen John Wesley Miller be able to fill the street level floor space at his John Wesley Miller

(formerly McLellan) Building at 63 E. Congress with On a Roll, Jimmy John's Gourmet Sandwiches, Knucklehead Alley and the Seawater Foundation,

"I think the message needs to get out that it's no longer is 'it's going to happen some time,'" said Miller, who built 90-energy efficient homes at Armory Park del Sol. "It's happening right now and it has been happening for the last year or two."

A dozen privately-funded Downtown projects have topped \$1 million in the past two years, headed by the \$60 million UniSource headquarters, the \$6.5 million Mercado San Agustin and the \$8.5 million One North Fifth Apartments.

The \$16 million Depot Plaza Garage opened in summer and construction started on the \$6.7 million Plaza Centro Garage.

More people are starting to come Downtown, too. From its inception, 2nd Saturdays Downtown has brought some 10,000 people to the monthly event. Tucson Meet Yourself this year tripled in size. The fall Tucson Open Studios Tours included a record 222 artists, far exceeding the prior year's 167. And Meet Me at Maynards, launched in April 2009, has a

couple hundred people running or walking through Downtown neighborhoods every Monday evening.

This year also put Downtown on the major exhibition circuit with *Bodies: The Exhibition* and *Titanic: The Artifact Exhibition*, at the Rialto Building, which itself reopened this year after a \$4.4 million overhaul.

The year 2009 was no slouch either. Madden Media renovated and moved into the historic MacArthur Building. Maynards Kitchen and Market opened in The Historic Depot, The Scott Avenue streetscape got a sprucing up, the Cushing Street underpass opened and Interstate 10 widening was completed. The Santa Rita Hotel was demolished to make way for the new UniSource headquarters. The Carrillo Placita was built at St. Augustine Cathedral. Façade improvements came to The Screening Room, The Scott, 64 E. Broadway, and the Rialto Block. The commercial strip at One North Fifth was finished.

A map and list on the following pages highlight the projects from the past 30 months.

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PRIVATE INVESTMENT PROJECTS

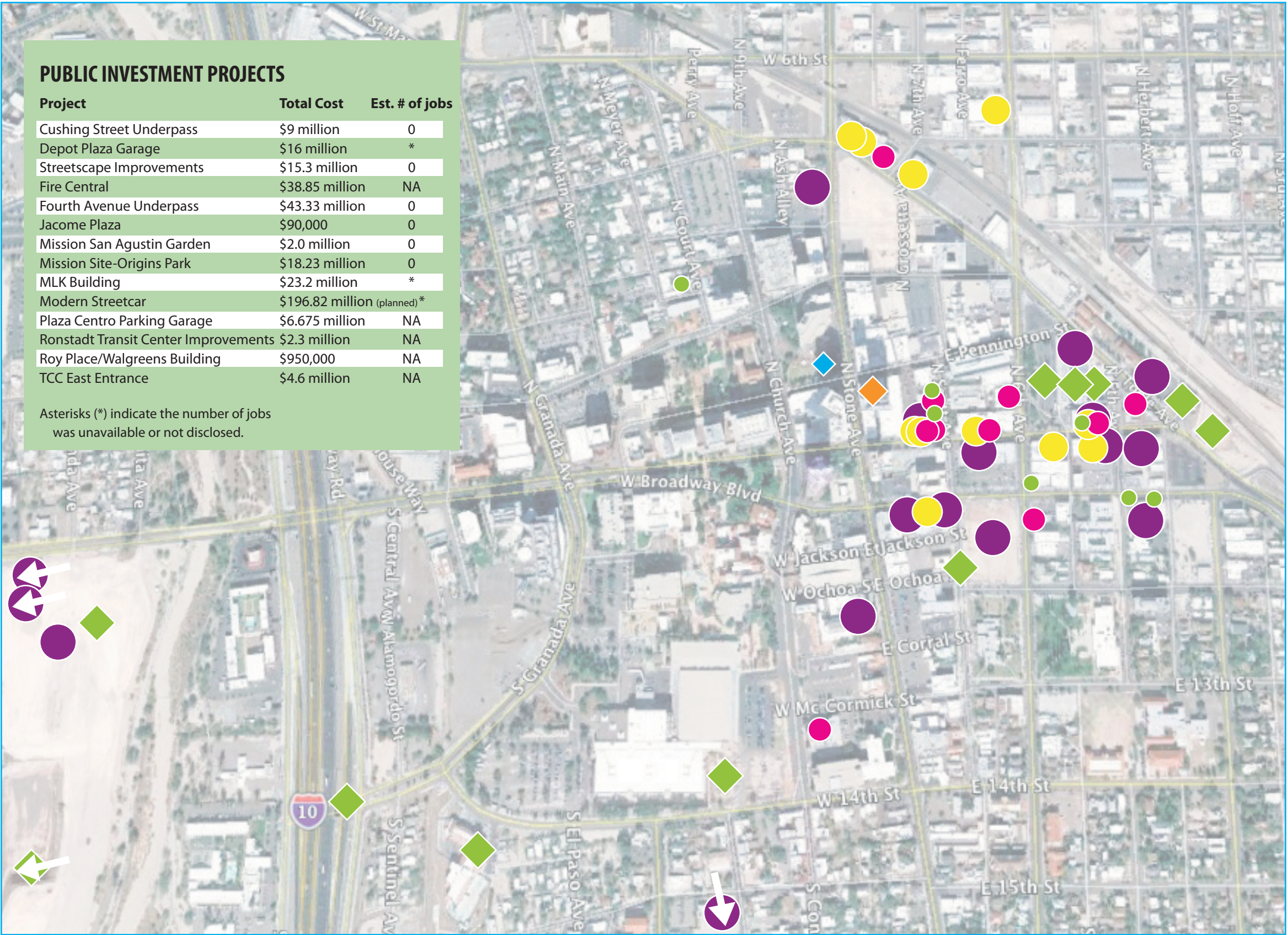
Project	Total Cost	Est. # of jobs
1 E. Toole Ave. Warehouse	\$652,000	0
15-19 E. Toole Ave. Warehouse 2	\$537,000	0
35 E. Toole Ave. Warehouse 1	\$422,000	0
44 E. Broadway	\$3.9 million	50
47 Scott	\$120,000	12
50 E. Broadway	\$710,000	50
An Congress	\$1.8 million	0
Bates Mansion	\$1.5 million	15
Congress Street Clubs	\$40,000	5
Cricket	\$750,000	9
Diocese of Tucson	\$2,750,000	*
Downtown Kitchen & Cocktails	\$400,000	45
Haley & Aldrich	\$2.2 million	13
Hollis Graphics	\$2,500	2
Hotel Congress Patio	\$500,000	0
HUB	\$850,000	30
Jimmy John's	\$300,000	15
John Wesley Miller Building	\$1.8 million	5
Julian-Drew/Carriage House	\$1.1 million	4
Knucklehead Alley	\$120,000	4
La Cocina	\$85,000	*
Madden Media	\$4 million	70
Market Inn	\$780,000	0
Maynard's Market & Kitchen	\$1 million	70
MEB Management Services	\$1.4 million	37
Mercado @ Menlo Park Housing	\$2.5 million	*
Mercado San Agustin	\$6.5 million	97
Mission District Infrastructure	\$1.5 million	*
MOCA	\$150,000	0
Monkey Burger	\$144,000	*
O2 Modern Fitness & Fitworks	\$44,000	10
On-A-Roll	\$600,000	20
One North Fifth	\$8.4 million	2
Providence Service Corp.	\$300,000	50
Rialto Block	\$4.4 million	*
Rice House	\$100,000	4
Rob Paulus office	\$600,000	21
Sapphire Lounge	\$826,957	40
Screening Room	\$126,000	0
Scott & Co.	\$50,000	3
Seawater Foundation	\$22,500	4
Social Science	\$1,000	3
A Steak in the Neighborhood	\$187,338	10
The Scott	\$1.63 million	*
Unisource Building	\$60 million	30
Xoom Juice	\$100,000	6
Yoga Oasis	\$35,000	3
Zen Rock	\$624,496	35

Downtown investment during the past 30 months

PUBLIC INVESTMENT PROJECTS

Project	Total Cost	Est. # of jobs
Cushing Street Underpass	\$9 million	0
Depot Plaza Garage	\$16 million	*
Streetscape Improvements	\$15.3 million	0
Fire Central	\$38.85 million	NA
Fourth Avenue Underpass	\$43.33 million	0
Jacome Plaza	\$90,000	0
Mission San Agustin Garden	\$2.0 million	0
Mission Site-Origins Park	\$18.23 million	0
MLK Building	\$23.2 million	*
Modern Streetcar	\$196.82 million (planned)*	
Plaza Centro Parking Garage	\$6.675 million	NA
Ronstadt Transit Center Improvements	\$2.3 million	NA
Roy Place/Walgreens Building	\$950,000	NA
TCC East Entrance	\$4.6 million	NA

Asterisks (*) indicate the number of jobs was unavailable or not disclosed.



MAP KEY

- Private project, less than \$100,000
- Private project, \$100,000-\$500,000
- Private project, \$500,000-\$1 million
- Private project, more than \$1 million
- Public project, less than \$1 million
- Public project, \$100,000-\$1 million
- Public project, more than \$1 million

Methodolgy

The numbers used in this report were gathered by Downtown Tucson Partnership staff through personal interviews with the project owners or managers. Some numbers were from previously published reports. All listed projects were completed or construction has begun in the past 30 months. Public project information was provided by the entity in charge of the project. Not all projects are represented; some declined to participate in the survey. Permanent job numbers, in some cases, were estimated by the project owner because the project is not yet complete. Asterisks (*) indicate the number of jobs was unavailable or not disclosed. The Modern Streetcar is expected to cost a total of \$196.8 million. To date, the project has spent \$24.32 million.